

Remarks Following a Meeting With Congressional Leaders on the Public Debt Limit and an Exchange With Reporters

May 9, 2023

The President. You all must be tired by now. [*Laughter*] I assumed you were going to run out of questions. I have a brief statement, and then I'll be happy to take your questions.

First, I just finished, I thought, a productive meeting with the congressional leadership about the path forward to make sure America does not default—I emphasize does not default—on its debt for the first time in history.

And I'm pleased, but not surprised, to hear Republican minority leader of the United States Senate saying that—at our meeting that the United States is not going to default. It never has, and it never will. And he's absolutely correct. We continue—we agree to continue our discussions, and we're going to meet again on Friday.

In the meantime, our staffs—we're going to meet today and daily between now and then. And everyone in the meeting understood the risk of default. Our economy would fall into a significant recession. It would devastate retirement accounts, increase borrowing cost. According to Moody's, nearly 8 million Americans would lose their jobs. And our international reputation would be damaged in the extreme. The last part is me—international. He didn't—Moody's did not say the last part about damage in the extreme.

I made clear during our meeting that default is not an option. I repeated that time and again. America is not a deadbeat nation. We pay our bills. And avoiding default is a basic duty of the United States Congress. In fact, they did it three times under my predecessor without once—not one time—creating a crisis, rattling the markets, or undermining the unshakable trust the world has in America's commitment to paying its bills.

And I'll remind you the national debt went up 40 percent over the 200-year—went up 40 percent under my predecessor. And that's the problem we're dealing with today. I might note parenthetically, in my first 2 years, I reduced the debt by \$1.7 trillion. No President's ever done that.

I told congressional leaders that I'm prepared to begin a separate discussion about my budget and our spending priorities, but not under the threat of default. As I said, I've already cut the deficit by \$1.7 trillion in my first 2 years in office. And the budget just submitted to Congress cuts another \$3 trillion in debt over the next 10 years—my budget that I submitted.

I made it clear that we can cut spending and cut the deficit. For example, my budget cuts \$200 billion in spending by strengthening Medicare's power to negotiate for lower prescription drug prices. In addition, that's on top of the \$160 billion in budget savings we passed last year by being able to reduce the price of insulin and other drugs for those on Medicare.

And my budget cuts \$30 billion—\$30 billion—in spending on tax subsidies for big oil companies. They made \$200 billion. They don't need a \$30 billion subsidy to drill. It makes no sense. Why are we handing them a \$30 billion tax subsidy? And you know, it's time to stop doing that. And that's what my budget does, among other things.

My budget also funds the Internal Revenue Code so that there's enough agents to thoroughly look at the taxes of billionaires in America. This Congressional Budget Office says it would raise \$200 billion. Larry Summers, a former Secretary, says—says it would raise twice that amount. It

will raise a lot of money. Why do they want to get rid of the people who, in fact, would be able to do those audits?

And my budget has some of the strongest antifraud proposals ever proposed. It strengthens the number of inspector generals. Remember, I know some of you covered me with my arguments in the past, with the last administration, for cutting inspector generals, as to how the money was being spent. And the inspector generals are watchdogs for taxpayers' dollars. And it's been estimated that we'd save \$10 for every dollar spent on funding inspector generals.

My budget cuts wasteful spending, closes loopholes, and does one more thing: It makes the wealthiest Americans and the biggest corporations begin to start to pay some of their fair share—just some of their fair share.

Speaker McCarthy offered a very different way forward. He's proposed deep cuts that I believe are going to hurt American families. And millions of Americans relying on Medicaid for their health care would be at risk of losing that.

And there would be 30 million fewer outpatient visits for veterans to the VA hospitals. And we just increased the VA budget so they could accommodate seeing these folks.

And we have to cut—we'd have to cut three—30,000 law enforcement agents: FBI, DEA, Border Patrol. A hundred thousand teachers and support personnel would lose their jobs. And all that would hurt Americans and leave folks behind.

Look, now, I know the Speaker says, well, I'm not—he uses the "L word," the "lying" word, but says I'm not telling the truth. All I asked him inside was: If you're not going to cut any of those programs and you're saying the cut is 22 percent across the board, then you're going to have to cut a hell of a lot more with the programs that are left. "No, we're not going to do that either." I'm not sure. I don't think they're sure exactly what they're proposing.

And if House Republicans take cuts in defense off the table, the cuts they have to make to other programs will be even deeper than that.

And one last thing that's very important: The Speaker is saying he's been trying to get me to sit down with him for 97 days. Ninety-seven days ago, we did meet in my office. I said to him at the time: "I'm happy to talk. You submit your budget; I'll set mine—submit mine. And we'll talk about it." And I don't want to get any press person—point anybody out, but I think you all remember my saying that.

I submitted my budget on March the 9th in detail. He passed his plan I think in the last or second-to-last week in April. Five days later, after he finally put forward something, I called on him to invite him to a meeting with the other leading Members of the Congress.

Look, over these last few days and weeks, there's going to be—there's a lot of politics posturing and gamesmanship, and it's going to continue for a while. But I am squarely focused on what matters. And we're getting to work.

And I've said all along: Let's discuss what we need to cut, what we need to protect, what new revenue we can raise, and how to lower the deficit to put our fiscal house in order. But in the meantime—in the meantime—we need to take the threat of default off the table.

As this meeting ended—as the meeting ended——

[At this point, the President cleared his throat.]

Excuse me—I suggested we continue to meet, and the leaders—our staffs continue to meet, and the leaders meet again on Friday to continue our discussions to see what progress we've made.

So let me end where I began: This Nation has never defaulted on its debt. It never will.

And thank you. And now I'll take your questions.

Q. Mr. President——

The President. Yes, ma'am.

Public Debt Limit

Q. Will you rule out a short-term debt limit increase? And are you concerned that Speaker McCarthy, at least publicly, will not take the threat of default off the table?

The President. [Laughter] I don't know what he thinks—what McCarthy—Speaker McCarthy thinks. I think he knows better. I think he knows that default would be disastrous. And I think he knows what he's passed could not possibly pass anywhere in the Congress; it's dead on arrival. And so—so I—but I don't know his—the depths of his thinking.

Yes.

Q. And what about a short-term debt limit increase? Are you ruling that out? Is that not okay for you?

Federal Budget Negotiations/Renewable Energy Sources

The President. I'm not ruling anything out. I said I'd come back and talk. I'm just ruling—there's one thing I'm ruling out is default. And I'm not going to vote—I'm not going to pass a budget that, in fact, caused massive cuts.

And I'll give you one example. They want to cut the—the legislation we passed, the IRA. Well, guess what—what they want to cut? They say that we're spending too much, giving tax breaks to people who are moving to renewable energy, and that by getting rid of those tax breaks we can save money.

Well, you all saw—one of you probably wrote the article in today's New York Times about Texas. They're making significant progress on solar and wind and renewable energy and hydrogen. And guess what? They want to cut it. You know why? I don't think it's anything to do with anything other than, the oil companies don't like it.

Public Debt Limit

Q. How certain are you at this point that a default can be avoided with so little time left?

The President. Well, I'm absolutely certain because I—you have the 95 percent of the Members—well, I shouldn't say—I won't be—put in a number. An overwhelming number of the Members of Congress know it would be a disaster.

Q. Mr. President——

The President's Executive Authorities

Q. Sir, Mr. President, if you do—you said you're certain you're not going to—they're not going to—there won't be a default. Are you willing to take unilateral action, like invoking the 14th Amendment, to make sure that doesn't happen?

The President. Well, the question—I have been considering the 14th Amendment. And a man I have enormous respect for, Larry Tribe, who advised me for a long time, thinks that it would be legitimate. But the problem is, it would have to be litigated. And in the meantime, without an extension, it would still end up in the same place.

I'll be very blunt with you: When we get by this, I'm thinking about taking a look at—months down the road—to see whether—what the court would say about whether or not the—it does work.

Yes, sir.

The President's Executive Authorities

Q. Do you have time to get a deal and get it through before the deadline of as early as January 1 [June 1; White House correction], as Secretary Yellen has warned about?

The President. Oh, I know we have the time. I mean, we could do it easily if they—if—but we do we have the will?

Q. And you mentioned the 14th, sir. There's other proposals like prioritization of payments and minting the coin. Can you speak to whether either of those have been studied by your staff?

The President. No, I can't, because I don't think anybody has studied the minting of the coin issue. But there have been discussions about whether or not the 14th Amendment is—can be invoked.

Q. Is that the most likely unilateral executive path——

The President. Look, yes, but I——

Q. ——worst-case scenario?

The President. I—I don't—I don't think that solves our problem now. I think that only solves your problem if—once the court has ruled that it does apply for future endeavors.

Yes, sir.

Speaker of the House of Representatives Kevin O. McCarthy

Q. Mr. President, do you trust Kevin McCarthy?

The President. I—I—I trust Kevin will try to do what he says.

I don't know that—I don't know how much leeway Kevin McCarthy thinks he has in light of the fact—and I'm not being a wiseguy when I say this—it took 15 votes for him to acquire the Speakership. And apparently, he had to make some serious concessions to get it from the most extreme elements of his party. So I—but I don't—I just don't know.

Q. Mr. President——

Public Debt Limit

Q. How long an increase are you seeking? How long would you like to extend it either by dollar value, or do you want it suspended indefinitely?

The President. Well——

Q. The limit, I mean.

The President. No, no, no, I—I think we should—it should be more than—for more than a year so we can move things along. And I think the discussions are somewhere—somewhere in 2—the 2-year. But there's no certainty of when—how long.

Q. Past the election though?

Public Debt Limit

Q. Mr. President, was Speaker McCarthy's message to you behind closed doors the same one that we heard from him at "the sticks": that he will absolutely not decouple raising the debt ceiling with cuts? Did he send that message to you?

The President. I don't want to violate a—basically a trust that we had that we can—you can talk openly and make—and raise possibilities in the White House with the—on a closed meeting.

Q. Do you think it will be a——

Former President Donald J. Trump

Q. On another topic, sir. Today former President Donald Trump was charged with battery and defamation. Your reaction to that, sir?

The President. I'm unaware of that. I heard that as I've been walking from room to room, but I can't comment on it. I don't know.

The President's Meeting With Congressional Leadership

Q. Let us ask it this way: What was the tenor of the meeting? What—was it civil?

The President. The tenor of the meeting was——

Q. Was it frank? Or what?

The President. ——with three of the four participants—very measured and low key. Occasionally, there would be a little bit of a—an assertion that maybe was a little over the top from the Speaker. But nothing, you know—anyway.

Q. Mr. President——

Q. Do you expect any substantial progress by the time you get back to meeting on Friday?

Public Debt Limit

The President. Well, it's going to depend a lot on—I've been doing this a long time. I don't mean budget negotiations for the debt ceiling. But sometimes—how can I say this?

One of the ways in which Senators or Congresspersons are able to back off some of the things they've done is if they're—give their staff some leeway, and the staff has then said, "Well, we're going to do this." And it moves—it kicks the can down the road a little bit.

Q. Mr. President——

Q. Mr. President——

Public Debt Limit

Q. Is there any chance you would postpone your trip for the G-7 as a result of this? Or are you still committed to going on that trip?

The President. I'm still committed, but obviously, this is the single most important thing that's on the agenda.

Q. Mr. President—Mr. President, under the——

The President. Let me get someone who hasn't asked a question yet. Anybody? I'll call—I'll ask yours as well.

Yes, ma'am.

The President's Schedule

Q. So there is doubt that you might not go on your trip? And you say this is the single most important issue.

The President. I'm sorry?

Q. Is it possible that you stay here and you don't find a solution?

The President. It is possible, but not likely. In other words, if somehow we got down to the wire and we still hadn't resolved this, and the due date was in a matter of—when I was supposed to be away, I would not go. I would stay until this gets finished.

The President's Meeting With Congressional Leadership

Q. Are you more—are you more or less optimistic than you were this morning after this meeting?

The President. More.

Q. Why?

The President. Because I'm a born optimist.

Q. Wasn't it——

Speaker of the House of Representatives Kevin O. McCarthy

Q. Mr. President, was it a mistake under the Obama administration, when you were Vice President, to negotiate on the debt limit in the summer of 2011, since that set a precedent under divided government to at least negotiate and have discussions over raising the debt limit?

The President. No, in the sense that—I got a call that morning at 6 o'clock saying that the Republican leader would only talk to me, and there was no time left. And so I sat down, and I got instructions from the White House to settle it. And that was my job. But I had no notice.

Q. Sir, just to put a finer point on today——

Q. Mr. President, Speaker McCarthy said he asked you numerous times——

The President. Okay, I'm going to—let me go with you and you and then to the person with a camera. No, I'm joking. [Laughter]

Federal Budget Negotiations/Deficit and National Debt

Q. Speaker McCarthy said that he asked you numerous times if there was anywhere in the Federal budget for cuts, but he did not get an answer. So is there anywhere——

The President. He got a specific answer. He got a specific answer again today. The first——

Q. Which is what?

The President. I—well, you didn't listen either. So why should I even answer the question?

I—we cut the deficit by \$160 billion—billion—b-i-l-l-i-o-n—dollars on the Medicare deal. We cut the deficit by raising the tax on people making—55 corporations that made \$40 billion to 15 percent. And the list goes on. So——

Speaker of the House of Representatives Kevin O. McCarthy

Q. But in terms of what he is proposing, is there any room for negotiation?

The President. What's he proposing? Did he tell you?

Q. Well, he——

The President. Did you hear him?

Q. —he talked about—

The President. No, no, I'm not being facetious. Did he tell you what he's proposing?

Q. He—he was talking about the bill.

The President. Yes. But what—what does it propose? Do you know?

I'm not being a wiseguy. You all are very, very informed people. Do you know what that bill cuts?

Q. He—there is a long list of things that it—it cuts that he—

The President. No. No, it doesn't say. It says—does it say what it's going to cut or just say generically it's going to cut?

You get the problem. You've answered it.

Federal Budget Negotiations

Q. Mr. President, Speaker McCarthy told us outside that he wants at least you to consider cutting and clawing back some of the unspent COVID relief funds. Would that be something that you would consider, even if it's independent of these debt limit discussions?

The President. The answer is, I'd take a hard look at it, because there's still—we don't need it all, but the question is, what obligations were there made—commitments made, the money not dispersed, et cetera. I have to look—take a hard look at it. It's on the table.

The President's Meeting With Congressional Leadership

Q. And just briefly, sir, to put a finer point on it, the lawmakers came out today, and their message was, essentially, there wasn't much substantial progress in the meeting. Do you agree with that?

The President. I listened to everything they said. I didn't hear them say that.

Q. Well, they—they said there was no movement.

The President. Yes, but what else did they say?

Q. The Speaker said there was no movement.

Q. The Speaker. So do you think that there was any substantial progress, aside from agreeing to meet again?

The President's Meeting With Congressional Leadership

The President. [Laughter] Yes, among three of the five—of the four, yes, there was substantial movement in the sense that everyone agreed that deficit—defaulting on the debt is off the table.

Last one, okay?

Mexico-U.S. Border/Immigration Restrictions Under Title 42 of the Public Health Service Act of 1944

Q. [Inaudible] Title 42: Is the United States ready for the surge of people that's going to come across the border starting later this week?

The President. I spent, I think, close to an hour with the Mexican President today. We're doing all we can. The answer is, it remains to be seen.

We've gotten overwhelming cooperation from Mexico. We also are in the process of setting up offices in Colombia and other places where you could—where someone seeking asylum can go first.

So—but it remains to be seen. It's going to be chaotic for a while. And, as an example, as I raised in the meeting—when they said, "Well, we're going to cut, and no spending more money." So what the hell happens? They—if you cut—you're going to cut people at the border? You're going to cut agents at the border? We need more at the border, not less at the border.

Folks, thank you very, very much. I appreciate your time. And I'm sure we're going to be talking more about this.

Thank you.

Q. Thank you, Mr. President.

The President. Whatever the cameraman wants to know, I'll answer. [*Laughter*]

Thank you very much. I really mean it.

Public Debt Limit

Q. He wants to know if—if the U.S. defaults, will you be able to say that you did everything in your power to avoid it?

The President. I promise you——

Q. I think he said——

The President. ——I will do everything in my power to avoid it.

Thank you.

Q. Thank you, Mr. President.

NOTE: The President spoke at 6:38 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to House Minority Leader Hakeem S. Jeffries; Senate Majority Leader Charles E. Schumer and Minority Leader A. Mitchell McConnell; former Secretary of the Treasury Lawrence H. Summers; Lawrence H. Tribe, Carl M. Loeb University Professor, Emeritus, Harvard Law School; and President Andrés Manuel López Obrador of Mexico.

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